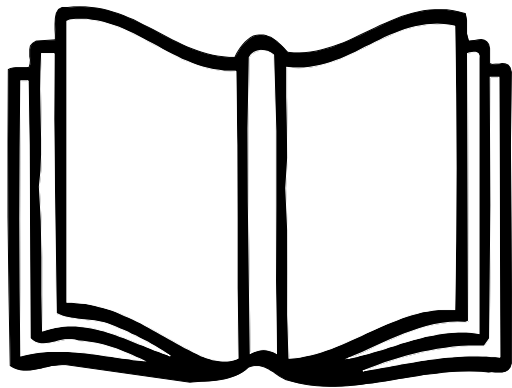




Magazine Subscription Scams



Beware of telephone sales pitches for "free," "prepaid," or "special" magazine subscription deals. An impulse purchase could leave you with years of monthly payments for magazines you may no longer want or could buy for less elsewhere. In some states, you are legally obligated to pay for a subscription once you verbally agree to it.

Of course, thousands of consumers buy magazine subscriptions from legitimate telemarketers every year. Yet, some unscrupulous salespeople trick consumers into paying hundreds of dollars for multi-year subscriptions. Here's how to tell the legitimate offers from bogus ones.

Deceptive Sales Tactics

Sales techniques vary. Question these approaches:

- A postcard that says nothing about magazine subscriptions but asks you to call a telephone number about a contest, prize, or sweepstakes entry. If you call, you may get information about contest prizes or drawing dates — but it turns into a sales pitch for magazine subscriptions.
- Salespeople who don't identify themselves as such or who may not give you the name of their company. They may lead you to believe they represent major credit card companies or magazine publishers, or that they are calling for purposes other than selling subscriptions.

- Salespeople who encourage you to purchase without giving you total costs. For example, a salesperson may offer magazines for just a few dollars a week. This may sound like a bargain until you do the math. You could be paying hundreds of dollars for subscriptions that sell elsewhere for less.
- Salespeople who tell you magazines are "free" or "pre-paid" for you and that you'll only be charged a "processing fee." The fee may be more than the retail price of the magazine subscription.
- Companies that say they're "approved" or "regulated" by the federal, state, or local government. No government agency approves or endorses such operations.

If You're Called

Listen carefully to the sales pitch. If you're not interested, and you don't want to be called again, tell the caller to put you on the company's "do not call list." If the company continues to call, hang up. They're breaking the law.

If you are interested — but busy, ask the salesperson to call you back when you have more time to focus on the offer. The salesperson may talk fast; ask questions to make sure you understand the deal. Remember that in some states, your verbal agreement to buy obligates you to pay.

Some salespeople may ask to tape the conversation, claiming it's for your protection. Later, they may use the tape to "prove" you agreed to buy the magazines, selected a payment method, and understood the terms of the agreement.

The best way to protect yourself from unscrupulous sales presentations is to be skeptical when someone tries to sell you a "bargain" or offers you something "free" over the phone. Ask questions about the products, the total costs involved, and your cancellation rights. If you're not comfortable with the answers, end the call.

The Telemarketing Sales Rule

The FTC's Telemarketing Sales Rule requires certain disclosures and prohibits misrepresentations. It gives you the power to stop unwanted telemarketing calls and gives state law enforcement officers the authority to prosecute fraudulent telemarketers who operate across state lines.

Some tips to keep in mind when you get a sales pitch:

- The caller must promptly identify the seller and the purpose of the call. If the offer comes with the promise of prizes or gifts, the sales presentation for the magazines must come first. If it doesn't, the caller is breaking the law. Hang up.

- If you make the call in response to a postcard promising prizes, gifts, or other awards, remember that you never have to pay for or buy anything to claim a prize, gift, or award.
- Feel free to ask for a written copy of the contract before you agree to buy. Read the contract carefully to make sure you understand what you'll receive, the cost for each magazine, and the cost of the whole package.
- Keep information about your bank accounts and credit cards to yourself — unless you know who you're dealing with. You may get a letter or postcard soliciting your business, or telling you that you've won a prize or a contest. Often, this is a front for a scam. Instructions tell you to respond to the promoter with certain information. If you give your bank account or credit card number over the phone to a stranger for "qualification," "verification," or "computer purposes," it may be used to debit your account without your permission.
- If you ordered magazines over the phone once, you may be called again. Although you may think the call is about customer satisfaction, chances are the caller will try to sell you renewals and additional subscriptions. Listen carefully to the offers to make sure you understand the terms.

Canceling Subscriptions

Although there's no federal law governing cancellation of telephone agreements, certain state and local laws require telemarketers to provide a cancellation period. However, many magazine subscription companies do not honor verbal cancellations. To make sure your cancellation notice is honored, it's best to submit it in writing and within a certain time period.

If you want to cancel a subscription you've purchased over the phone, take the following steps:

- Watch your mail for the sales agreement; it may come in a plain or "junk mail" type envelope. Look for the cancellation terms; cancellation usually is allowed within three days of your receipt of the agreement. The cancellation notice may be hard to find; often it's attached to an inside page of multiple copies of the sales agreement.
- Sign the cancellation notice and return it to the proper address. That may be hard to find, because several addresses may be listed. Send the notice by certified or registered mail, so you have proof of your mailing date. If you can't send the notice by certified mail, make a photocopy of the signed and dated notice for your records.
- When you send the cancellation notice, contact your bank or credit card company to stop any unauthorized pay-

ments from your account or to dispute any charges or debits to your account.

- The company may tell you that your cancellation request was too late and that you must pay. Check with your state Attorney General to find out what cancellation rights you may have under state law.
- If the cancellation period expired and you paid in full, the company may not be required to refund your money. If you don't make proper payments on time, you could get dunning notices and calls from collection agencies, threats of legal action, or a bad credit rating.

Where To Go For Help

If you think you've been victimized by a magazine subscription scam, contact your state Attorney General or local consumer protection office.

You also may file a complaint with the FTC by contacting the Consumer Response Center by phone: toll-free 1-877-FTC-HELP (382-4357); TDD: 202-326-2502, by mail: Consumer Response Center, Federal Trade Commission, Washington, DC 20580, or by e-mail: use the complaint form at **www.ftc.gov**. Although the FTC does not intervene in individual disputes, the information you provide may indicate a pattern of possible law violations requiring action by the Commission.

For More Information

For a free copy of **Best Sellers**, a complete list of FTC publications, contact:

Consumer Response Center

Federal Trade Commission

600 Pennsylvania Avenue, NW

Washington, DC 20580

Toll-free: 1-877-FTC-HELP (382-4357)

TDD: 202-326-2502

Or visit the FTC at **www.ftc.gov**.